



CITY OF ATLANTA

SHIRLEY FRANKLIN
MAYOR

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October 10, 2003

Honorable Cathy Woolard, President
and Members of Atlanta City Council
55 Trinity Avenue, Suite 2900
Atlanta, GA 30303

Dear President Woolard and Councilmembers:

Over the next few weeks, you will be considering action on one of the most critical issues currently facing the City of Atlanta – our water and sewer capability. Our citizens depend on this most basic service each and every day – in their homes, for their businesses, at their places of worship, and at our schools. Without improvements, we risk bringing future economic development to a halt and permanently damaging our public health and quality of life.

This is not a matter of if or when something needs to be done – the question we need to answer is how. We have no choice but to comply with federal EPA and state EPD orders to improve our water and sewer infrastructure by their deadlines of 2007 and 2014. Most importantly, our 1 million plus customers have every right to expect safe, clean drinking water and efficient and environmentally sound sewer systems.

This infrastructure has been neglected for decades. We do not have the luxury of those who came before us to put off much needed repairs. Every day brings us one day closer to systemwide failure and, as metropolitan Atlanta continues to grow, there will be even more strain on an already crumbling system.

The work that needs to be done is costly. The capital investments needed to enhance system integrity and meet the consent orders will cost more than \$3 billion. In addition, a recent security assessment of our drinking water system identified needed improvements of \$28.6 million in order to meet the requirements of the 2002 Bioterrorism Act.

Obviously, meeting this additional financial burden will force choices made even more difficult by these tight economic times. Without outside funding assistance, which we continue to try to secure, this entire burden will unfortunately fall to our customers. A recent rate analysis by an independent consultant has determined that rates will need to be

President Cathy Woolard and
Members of Atlanta City Council
October 9, 2003
Page 2

raised by 45% in the first year, 45% in the second year and 11% for the next three years in order to meet our needs. As you are aware, I have repeatedly stated that without any financial assistance or relief from any other sources, we would be faced with a tripling of our rates over the next five years.

The decision to ask you to vote for legislation to raise water and sewer rates was not made lightly. We are mandated by the Courts to do this work. As you know, we tried twice unsuccessfully to work with the Fulton County Commission to have a SPLOST passed which would have provided \$100 million annually. Many of you have stood with me as we appealed to the members of our Congressional delegation and others in Washington for federal funding assistance.

We must move forward and as we do, you have my commitment that I will continue to work to identify both cost reduction and revenue enhancement mechanisms that would reduce the cost to our customers.

I would not bring this legislation to you if I did not believe that we were both out of time and out of options for moving forward. Our water and sewer system has been neglected for far too long – we cannot afford to ignore it any longer.

I know that many of our customers are facing the same budget problems that we are as a City, and I regret to have to ask them to pay for a problem that they did not create. I know, though, that in the end we will all have the courage to do what is right for this City, and that if we are open and honest with our citizens about how and why we are making decisions, they will respect us for it.

I will provide an Executive Summary of the proposed rate program on Monday, October 13, 2003 and a briefing and complete copy of the rate study at the Council Retreat on Thursday, October 16, 2003. I, along with key members of my administration look forward to participating in work sessions, committee meetings and public hearings.

Sincerely,

A handwritten signature in black ink, reading "Shirley Franklin". The signature is written in a cursive, flowing style.

Shirley Franklin